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SUBJECT A Bad Year for U.S. Intelligence Communities

SUSAN STAMBERG: All in all, it's been a bad year for the U.S. intelligence community.

A month ago, a former CIA agent named Edward Lee Howard became the latest U.S. citizen to be accused of passing government secrets to the Russians. Howard is now on the lamb.

Back in May, John Walker, Jr., a former Navy officer, was arrested along with an alleged ring of associates in the spy business.

In Los Angeles, the prosecution's just concluded arguments against Rick Miller, the first FBI agent to be accused of espionage.

But, while things may look bad here, during the same period of time the Soviets have lost at least three top spies to the West.

NPR's Allen Burlow examines the implications of all these spy cases.

ALLEN BURLOW: With all of the defections, arrests and indictments for spying this year, there's a natural tendency to ask, "Who's ahead?" Most people who keep tabs on this sort of thing agree that the Russians are the big losers, but they also agree that the losses on the U.S. side are substantial.

The case of Edward Lee Howard is the most recent to send shimmers through the U.S. intelligence Community. Howard, a former CIA agent, was forced out of the Agency in 1983 when he failed a lie detector test. At the time, he was awaiting assignment to Moscow. Apparently disgruntled

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over his ouster, Howard allegedly sold information pertaining to CIA operations and methods to a KGB agent in Austria. He disappeared on September 20th. Howard was under surveillance by the FBI.

Why?

Well, the 33-year-old ex-CIA agent had apparently been fingered as a spy by Vitaly Yurchenko who, until last July, held one of the top KGB posts in the United States. In July, Yurchenko defected to the U.S. where he is now reportedly being questioned by U.S. intelligence officials.

George Carver, a 27-year veteran of the CIA, assessed the loss of Howard this way.

GEORGE CARVER: The Howard case is serious but far from catastrophic. Howard was a relatively young and relatively junior officer who served for 20-odd months who had been trained for a posting to Moscow but had not actually been posted there, and he would have known a certain amount about our activities for collecting intelligence on the Soviet Union. He would have known many things that we would vastly preferred for the Soviets not to know.

BURLow: But, Carver says, Howard's defection was far less significant than the loss to the Soviets of Yurchenko in July, of Oleg Gordievski, the head of KGB operations in Britain the same month, and Sergei Bohan, a top Soviet military intelligence officer who defected in May.

Senator Malcolm Wallop, a Wyoming Republican, offered this assessment of the Soviet defections.

SENATOR MALCOLM WALLOP: I think both Yurchenko and Gordievski are absolutely catastrophic events for Soviet intelligence. But, interestingly enough, they are really the biggest pieces of an iceberg to be sure, but nothing like the totality of the iceberg that the Soviet intelligence has run into. There have been 15 to 20 major defections from Soviet intelligence over the past year.

BURLow: Former CIA Director William Colby says the number of spy cases that have become public in a brief period of time is unusual, but not unprecedented. Colby says the Soviet spies who moved West will be enormously valuable, and he suggests the fallout from the Gordievski defection has only begun to be felt.

WILLIAM COLBY: The shoe yet to drop on him is who the Britons were that he was in contact with, not just he but the other people there,

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and he was the senior KGB officer. I'm certain he gave the British a lot of information about who the KGB were and what they were doing in Britain.

If we had lost three of our senior officers in the last couple of months, very senior officers in that service, we would be in an uproar. The Congress would be demanding explanations. We would have a terrible problem.

They have a terrible problem. We don't have that kind of a problem.

BURLOW: Colby believes the recent spate of Soviet defections should lay to rest the decade's old question of whether a Soviet agent or mole has penetrated the CIA. He suggests that Yurchenko should have been able to turn up a Soviet mole.

COLBY: As the number five man at the KGB, assuming he's telling us all he knows, which is not quite clear yet and has to be checked -- but if all he can come up with is this fellow who served in the CIA for a couple of years in kind of a makeshift job, that isn't much of a mole.

BURLOW: The guy in the makeshift job was Edward Lee Howard.

Senator Wallop thinks the Howard defection was far more significant, and Wallop also thinks it's likely a Soviet mole has been planted in the U.S. intelligence bureaucracy. Wallop says there is an overriding confidence in the U.S. spy agencies that such a person cannot exist, and the Senator says this creates the perfect environment for placement of a mole.

SENATOR WALLOP: We know that over the past 20 or 30 years on a number of occasions we have penetrated the highest reaches of Soviet government. I simply do not believe that the United States has such a corner on the world's morality that it is impossible for us to have had somebody planted a long time ago who has risen to a position that is now significant enough that the Soviets may well have gotten an operational mole. I don't know that to be the case. I don't even suspect anyone of being the case, but I do suspect that it is implausible for it not to have happened some place.

BURLOW: Howard's case is only one of many that have led to a renewed discussion on Capitol Hill over how the U.S. can improve its counter-intelligence capabilities -- that is, its protection of U.S. documents, communications and facilities, its surveillance of our own spies as well as efforts to root out Soviet attempts to plant disinformation.

The first case to focus the counter-intelligence issue was that of John A. Walker, Jr., the retired Navy officer accused of masterminding a spy ring that included his older brother, his son and his best friend. The concern about spies has been further heightened by the defections last month of a series of highly placed West German officials who went East.

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Senator Wallop says the U.S. intelligence bureaucracy is simply not committed to counter-intelligence. Although there are reportedly twelve hundred counter-intelligence agents in the FBI, Wallop says former CIA Director Stansfield Turner totally resisted improving the Agency's counter-intelligence while William Casey, the current Director, had to be forced to make improvements.

SENATOR WALLOP: We have a counter-intelligence capability and, clearly, anybody in the intelligence community will tell you. But, we don't have a real commitment to it. That that we have was brought on board very grudgingly. We pushed it upon the agency, and I do not yet sense that there is a high commitment to its competence of its success.

BURLOW: Wallop says U.S. counter-intelligence failed to pickup on Howard until he was fingered by Soviet defector Yurchenko and then, Wallop says, the FBI let Howard get away.

Both House and Senate Intelligence Committees are currently investigating the Howard case, trying to figure out how he got away and why he was apparently given access to extremely sensitive material at an early stage in his career.

The Congress has taken some steps to limit Soviet gains in the intelligence arena. Both houses have approved a new death penalty law for spying. President Reagan has signed a bill that requires numeric parity between U.S. and Soviet spies operating in one another's country. There are also efforts underway to force the U.S. to replace some of the 200-odd Soviet nationals now employed in the U.S. Embassy in Moscow, and there are proposals under consideration that would force a reduction in the number of Soviet spies allowed in the U.S.

Former CIA agent George Carver, now at the Georgetown Center for Strategic and International Studies, says that within the CIA itself the U.S. can only go so far with counter-intelligence before it either infringes on constitutional rights or create an unhealthy climate in the intelligence community. Many in the spy Agency points to the mole hunt conducted by former CIA Chief of Counter-intelligence James Angleton as the kind of counter-intelligence operation the country doesn't need. That investigation led to the destruction of several agents' careers and seriously damaged morale at the CIA. No mole was found.

George Carver.

CARVER: There is an almost direct contradiction between many of the operational imperatives affecting counter-intelligence, and many of the legal, constitutional and moral imperatives of a free and open democratic society. Doing counter-intelligence effectively requires harnessing two very (word unintelligible) human qualities. You have to be a controlled paranoid. And if the control slips, you're in bad trouble. And if the paranoia slips, you're taking great risks.

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Now, the kind of tightening up that some purists would want who want absolute protection would not be constitutionally permissible in our society. But, on the other hand, being an absolute constitutional A.C.L.U. type of civil libertarian purist leaves you totally open to intelligence attack by a determined and persistent adversary.

BURLow: For intelligence work to be effective, agents must be able to operate in an atmosphere of some trust. In the past, U.S. intelligence agencies have resisted greater counter-intelligence out of fears of damaging morale or of alienating their own agents. But, as the trials of accused spies proceed, public outrage at the loss of state secrets is likely to grow and along with it pressures for greater counter-intelligence efforts.

I'm Allen Burlow, in Washington.